



**NOTICE OF SALE
COUNTY OF ERIE, NEW YORK
\$80,000,000*
REVENUE ANTICIPATION NOTES, 2018
(THE "NOTES")**

Electronic proposals via iPreo's Parity Electronic Bonds Submission System ("Parity") will be received and considered by the Comptroller of the County of Erie, New York (the "County") until 11:00 a.m., Prevailing Time, on the 18th day of September, 2018, at which time and place the bids will be opened, for the purchase at not less than par and accrued interest of \$80,000,000* Revenue Anticipation Notes, 2018 (the "Notes"), dated September 26, 2018 and maturing on June 30, 2019. The Notes are not subject to redemption prior to maturity.

The County reserves the right to change the time and/or date for the opening of bids. Notice of such change shall be provided not less than 24 hours prior to the time set forth above for the opening of bids by means of a supplemental notice of sale to be transmitted on Parity.

PROCEDURES FOR BIDDING

Submission of Bids

Bids may be submitted electronically via Parity in accordance with this Notice of Sale, until the time specified herein. No other form of electronic bidding services will be accepted. No bid will be accepted after the time for receiving bids specified above. Once the bids are communicated electronically via Parity to the County, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms therein provided.

The County shall not be responsible for any errors and/or delays in transmission and/or receipt of such bids, mechanical or technical failures or disruptions, or any omissions or irregularities in any bids.

Registration to Bid

Prospective bidders wishing to submit electronic bids must be contracted customers of Parity. Prospective bidders who are not customers of Parity may call (212) 404-8102 to become a customer. By submitting an electronic bid for the Notes, a bidder represents and warrants to the County that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes.

If any provisions of this Notice of Sale shall conflict with information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 404-8102.

The time maintained by Parity shall constitute the official time with respect to all bids submitted.

Disclaimer

Each prospective bidder who wishes to submit electronic bids shall be solely responsible to register to bid via Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The County is using Parity as a communications mechanism, and not as the County's agent, to conduct the electronic bidding for the County's Notes. The County is not bound by any advice or determination of Parity as to whether any bid complies with the terms of this Notice of Sale and in particular the "Bidding Rules" set forth herein. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid, or submitting or modifying a bid for the Notes, it should telephone Parity and notify the County's Financial Advisor, Hilltop Securities Inc at (212) 642-4350 (provided that the County shall have no obligation to take any action whatsoever upon receipt of such notice). After receipt of bids is closed, the County through Parity or by telephone will indicate the apparent successful bidder.

* Preliminary, subject to change.

Such message is a courtesy only for bidders, and does not constitute the award of the Notes. Each bid will remain subject to review by the County to determine its net interest cost and compliance with the terms of this Notice of Sale.

Bid

Proposals may be for all or any part of the offering and each bid must state a single rate of interest for the Notes in a multiple of one-hundredth or one-eighth of one per centum per annum. No bid for less than \$5,000,000 will be considered and all bids must be in integral multiples of \$1,000,000. A separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the award will be made to the bidder or bidders complying with the terms of sale and offering to purchase the Notes at such rate of interest as will produce the lowest interest cost for the Notes, computed in accordance with the net interest cost method, and if two or more such bidders offer the same lowest net interest cost, then to the one of said bidders selected by the Sale Officer by lot from among all said bidders. The right is reserved to reject any or all bids, and any bid not complying with this Notice of Sale, except as provided above, will be rejected.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Notes pursuant to U.S. Treasury Regulation Section 1.148-1(f)(3)(i), including the requirement that bids be received from at least three (3) underwriters (as defined below) of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). Hilltop Securities Inc., as financial advisor to the County (the "Financial Advisor") will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Notes. Bids will not be subject to cancellation or withdrawal in the event that the Competitive Sale Requirements are not satisfied.

The winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Financial Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of the Notes (the "Initial Reoffering Price") as of the date of the award.

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public (as defined below)) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. ***Such election must be made on the bid form submitted by each bidder.***

(1) Hold the Price. The winning bidder:

- (a) will make a bona fide offering to the public of the Notes at the Initial Reoffering Price and provide the Financial Advisor and Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will neither offer nor sell the Notes to any person at a price that is higher, or a yield that is lower, than the Initial Reoffering Price until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price or (ii) the close of business on the 5th business day after the date of the award of the Notes, and
- (c) has or will include or cause to be included within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which either the winning bidder or another member of any underwriting syndicate established by the winning bidder for the Notes is a party) relating to the initial sale of the Notes to the public, and in the related pricing wire, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) Follow the Price. The winning bidder:

- (a) will make a bona fide offering to the public of the Notes at the Initial Reoffering Price and provide the Financial Advisor and Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will report to the Financial Advisor and Bond Counsel information regarding the actual prices at which at least 10 percent of the Notes have been sold to the public,
- (c) will provide the Financial Advisor and Bond Counsel with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement,

which may extend beyond the closing date of the Notes, will continue until such date that 10 percent of the Notes has been sold to the public, and

(d) has or will include or cause to be included within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which either the winning bidder or another member of any underwriting syndicate established by the winning bidder for the Notes is a party) relating to the initial sale of the Notes to the public and in the related pricing wire, language obligating each underwriter to comply with the reporting requirement described above.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the County a certificate (the "Reoffering Price Certificate"), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Reoffering Price Certificate is available by contacting Bond Counsel or the Financial Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Reoffering Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

For purposes of this Notice of Sale, the following terms shall have the following respective meanings:

(A) the "public" means any person other than an underwriter or a related party (as defined below) to an underwriter;

(B) an "underwriter" means (i) the winning bidder (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public), (ii) any person that agrees pursuant to a written contract with the winning bidder to form an underwriting syndicate to participate in the initial sale of the Notes to the public, and (iii) any person that agrees pursuant to a written agreement with either the winning bidder or any other member of an underwriting syndicate for the Notes to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public); and

(C) a "related party" (as defined in U.S. Treasury Regulation 1.150-1(b)) to an underwriter generally means any person who has greater than 50 percent common ownership, directly or indirectly, with such underwriter.

In making the representations described above, the winning bidder must reflect the effect on the offering prices of any "derivative products" (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

The Notes

Interest on the Notes will be payable at maturity. The Notes will not be subject to redemption prior to maturity.

The Depository Trust Company ("DTC") will act as securities depository for the Notes and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate and will be deposited with DTC. Principal and interest on such Notes will be payable in Federal Funds by the County's Fiscal Agent, Wells Fargo Corporate Trust Services, New York, New York to DTC which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Notes. Reference should be made to the Official Statement of the County for a complete description of DTC and the book-entry system.

CUSIP identification numbers will be printed on the Notes if Bond Counsel is provided with such numbers by the close of business on the Sale Date of the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the County, provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

The Notes are issued in anticipation of the collection and receipt of revenues due to the County in the current fiscal year from (i) State Social Services aid and (ii) Federal Social Services Aid.

Pursuant to State law, whenever the amount of revenue anticipation notes issued against a specific type of revenue equals the estimated amount of such specific type of revenue in anticipation of the collection or receipt of which such notes have been issued, less the amount of such revenue actually received or collected, all of such revenue, as thereafter received or collected, must be set aside in a special bank account to be used only for the payment of such notes as they become due.

The proceeds of the Notes will be used by the County to pay ordinary and current operating expenses properly payable out of the moneys in anticipation of which such Notes are issued. As a result the timing of receipt of revenues, the County requires operating loan moneys to meet its normal obligations.

Section 25.00 of the Local Finance Law authorizes the County to issue revenue anticipation notes during a fiscal year in anticipation of the receipt of moneys becoming due during such fiscal year and also authorized the County to issue a single issue of revenue anticipation notes in anticipation of the receipt of more than one specific type of revenue, provided that the amount of indebtedness contracted against each specific type is stated in the proceedings authorizing the issuance of such notes and that such representative amounts do not exceed the amounts of indebtedness which could be contracted against each such specific type of revenue.

The Notes are general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the County has the power and statutory authorization to levy ad valorem taxes on all taxable real property within the County, subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "REVENUE SOURCES AND EXPENDITURES - The Tax Levy Limitation Law" in the Official Statement.

As a condition to each purchaser's obligation to accept delivery of and pay for the Notes, such purchaser will be furnished, without cost, the following, dated as of the date of the delivery of and payment for said Notes: (i) a certificate of the County Comptroller certifying that (a) as of the date of the final Official Statement furnished by the County in relation to said Notes, said final Official Statement did not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in said final Official Statement obtained from sources other than the County is not guaranteed as to accuracy, completeness or fairness, he has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to his knowledge, since the date of said final Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the County and no material adverse changes in the general affairs of the County or in its financial condition as shown in said final Official Statement other than as disclosed in or contemplated by said final Official Statement; (ii) a Closing Certificate, constituting a receipt for the Note proceeds and a signature certificate, which will include a statement that no litigation is pending, or to the knowledge of the signers, threatened affecting the Notes; (iii) an arbitrage certificate executed on behalf of the County which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended, (the "Code"), with the owners of the Notes that the County will, among other things, (A) take all actions on its part necessary to cause interest on the Notes to be excluded from the gross income of the owners thereof for Federal income tax purposes, including without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Notes and investment earnings thereon, making required payments to the Federal Government, if any, and maintaining books and records in a specified manner, where appropriate, and (B) refrain from taking any action which would cause interest on the Notes to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Notes and investment earnings thereon on certain specified purposes; (iv) an Undertaking to Provide Notice of Events, executed by the County Comptroller, as described below; (v) an Attorney's Certificate of No Litigation signed by the County Attorney stating, to the effect, that (a) there is no controversy or litigation of any nature pending or, to the best of the knowledge of the signor, threatened, restraining or enjoining the sale, execution, issuance or delivery of the Notes, or in any way contesting or affecting the levy and collection of taxes to pay the principal thereof or the interest thereon, or in any manner questioning or affecting the validity of the Notes or the authority or proceedings for the issuance thereof, or contesting the corporate existence or boundaries of the County or the title of any of the officers of the County to their respective offices, and (b) there is no controversy or litigation of any nature now pending or, to the best of the signor's knowledge, threatened by or against the County, wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of the Notes which has not been disclosed in the Official Statement; and (vi) the approving legal opinion as to the validity of the Notes of Harris Beach PLLC, Buffalo, New York, Bond Counsel to the County. Reference should be made to the Official Statement of the County prepared in connection with the issuance of the Notes for a description of the scope of Bond Counsel's engagement in relation to the issuance of the Notes and matters covered by such legal opinion. Furthermore, reference should be made to the information under the headings "LEGAL MATTERS" and "TAX MATTERS" in the Official Statement.

In addition, the purchaser(s) will be furnished with a copy of the County's written agreement or contract for the benefit of the holders of the Notes to provide to the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board (the "MSRB") in a timely manner (not less than ten business days' after the occurrence of certain events), notice of the events required by SEC Rule 15c2-12.

The County's Undertaking shall remain in full force and effect until such time as the principal of and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with the Undertaking will not constitute a default with respect to the Notes.

Any successful bidder may at its option refuse to accept the Notes if prior to their delivery the opinion of Bond Counsel is not delivered or if any income tax law of the United States of America is hereafter enacted which shall provide that the interest thereon is taxable, or shall be taxable at a future date for federal income tax purposes, and in any such case it will be relieved from its contractual obligation arising from the acceptance of his proposal.

The Notes will not be designated by the County as "qualified tax-exempt obligations" pursuant to the provisions of Section 265 of the Code.

The closing will take place in Buffalo, New York, or at such other place as may be agreed upon with the purchaser, on or about September 26, 2018 (the "Closing Date") upon payment of the purchase price by the delivery to the County of a wire advance of credit payable to "County of Erie" in Federal Funds, in an aggregate sum equal to the purchase price, plus accrued interest to the date of delivery of the Notes, if any.

A Preliminary Official Statement has been prepared and disseminated by the County. The Preliminary Official Statement is deemed to be a "final official statement", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("SEC"), but is subject to (a) completion with certain price and other information to be made available by the successful bidder for the Notes and (b) amendment. The Preliminary Official Statement, as so revised, will constitute the "final Official Statement". By the submission of a bid for the Notes, the successful bidder contracts for the receipt of a reasonable number of copies of the final Official Statement within seven business days of the award of the Notes. In order to complete the final Official Statement, the successful bidder must furnish on behalf of the underwriters of the Notes the following information to Bond Counsel and the County by electronic or facsimile transmission or overnight delivery received by Bond Counsel and the County within 24 hours after the award of the Notes: (a) initial offering prices or yields (expressed as percentages), (b) selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars), (c) the identity of the underwriters if the successful bidder is part of a group or syndicate and (d) any other material information necessary for the final Official Statement, but not known to the County (such as the bidders purchase of credit enhancement). The County shall not be responsible or liable in any manner for the successful bidders determination of information necessary to comply with SEC Rule 15c2-12 or the accuracy of any such information provided by the successful bidder or failure to furnish such Official Statements as described above which results from a failure by the successful bidder to provide the aforementioned information within the time specified. Acceptance by the successful bidder of such final Official Statement shall be conclusive evidence of the satisfactory completion of the obligations of said County with respect to the preparation and delivery thereof.

Additional information may be obtained upon request from the Office of the County Comptroller, telephone (716) 858-8400 or from Hilltop Securities Inc. telephone (212) 642-4350.

County of Erie, New York
Dated: September 12, 2018

STEFAN I. MYCHAJLIW
County Comptroller